

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE)	PDC Cases No. 02-263
WITH RCW 42.17)	
)	REPORT OF INVESTIGATION
LAWRENCE J. SORIANO)	
)	
Respondent)	
_____)	

I.
Background

- 1.1 Lawrence J. Soriano was a candidate for School Board Director, Seattle School District, position four. Mr. Soriano chose the mini reporting option, which meant he agreed to raise and spend no more than \$3,500 in his campaign, not including his filing fee, and agreed to accept no more than \$300 from any one contributor, other than himself.
- 1.2 Mr. Soriano filed his candidate registration form (PDC form C-1) on August 6, 2001.
- 1.3 The primary election was scheduled for September 18, 2001.
- 1.4 The investigation was initiated on September 10, 2001, after reviewing Mr. Soriano's request to change to the full reporting option, which was received by mail September 10, 2001. The request showed that the campaign had far exceeded the limits of mini reporting. Vicki Rippie filed a staff generated complaint.
- 1.5 Mr. Soriano has not been a candidate in the past. He was a first time candidate in 2001. He lost in the primary election.

II.
Scope

- 2.1 The investigation covered the 2001 campaign of Lawrence J. Soriano, candidate for School Board Director of Seattle School District, position four.

- 2.2 The following documents were reviewed:
- (a) campaign finance reports filed by the Lawrence J. Soriano campaign;
 - (b) correspondence received from Lawrence J. Soriano;
- 2.3 Darlene Murphy, treasurer for Lawrence J. Soriano was called, but no formal interview was conducted.

III. The Law and Administrative Code

- 3.1 **RCW 42.17.040** says any material change in information previously submitted in a statement of organization (PDC form C-1) shall be reported to the commission and to the appropriate county elections officer within ten days following the change.
- 3.2 **RCW 42.17.080 and .090** require candidates to file reports of contributions and expenditures. The reports must be timely, complete, and accurate. A PDC form C-3 must be completed for each bank deposit, and must be filed monthly, except for the four months preceding the election when a C-3 must be filed each Friday. A PDC form C-4, summarizing contributions and expenditures, must be filed monthly, except for special reports due 21 and 7 days before each election.
- 3.3 **WAC 390-16-105** states that (1) A candidate or candidate's authorized committee, as those terms are defined in RCW 42.17.020, shall not be required to comply with the provisions of RCW 42.17.060 through 42.17.090 except as otherwise prescribed in WAC 390-16-038, 390-16-115, and 390-16-125 when neither aggregate contributions nor aggregate expenditure[s] exceed the amount of the candidate's filing fee provided by law plus a sum not to exceed three thousand five hundred dollars and no contribution or contributions from any [person] other than the candidate within such aggregate exceed three hundred dollars. However, a bona fide political party may pay the candidate's filing fee provided by law without that payment disqualifying that candidate from eligibility under this section.
- 3.4 **WAC 390-16-125** states in part: Whenever there is reason to believe that any of the aggregate limitations specified in WAC 390-16-105 or 390-16-111 will or may be exceeded, the candidate or committee may apply to the commission for authorization to change reporting options.
- (1) If the application is made more than thirty days prior to the date of the election, the application will be considered approved without further action by the commission if the person making application submits an amended C-1, C-3 and

C-4 reports and a statement affirming that all known candidates for the office being sought have been notified personally of the application stating the manner and date of such notification.

(2) If the application is made within thirty days of the date of the election, the application shall be approved only by authorization of the commission executive director.

(4) Any person who knowingly or negligently causes or permits the limitations specified in these regulations to be exceeded shall be deemed to have violated the applicable provisions of RCW 42.17.040 - 42.17.090.

IV. Findings

- 4.1 Lawrence J. Soriano filed a candidate registration form (PDC form C-1) on August 6, 2001. Mr. Soriano selected Option I, the mini reporting option in item 4 of the C-1. In selecting the mini reporting option, Mr. Soriano agreed to accept no more than \$3,500 in contributions, to accept no more than \$300 from any person other than himself, and to limit expenditures to no more than \$3,500, not including his filing fee. **(Exhibit 1)**
- 4.2 On September 10, 2001, Mr. Soriano sent a letter explaining the circumstances of his increased spending and requesting a change to the full reporting option. **(Exhibit 7)** Mr. Soriano also included a new C-1 form, selecting the full reporting option, and a C-4 report showing the campaign's total contributions and expenditures were \$12,020 and \$11,651 respectively. **(Exhibit 2)** On August 16, 2001, Mr. Soriano made a loan of \$3,800 to the campaign. On August 16, 2001, Elizabeth R. Starkand-Soriano made a loan of \$3,800 to the campaign. **(Exhibit 3)** On August 22, 2001 and August 23, 2001, Mr. Soriano's campaign received contributions in excess of the \$300 mini-reporting limit from Donald P. Nielsen and Trebron Company for contributions in the amount of \$500 and \$1,000, respectively. **(Exhibit 3)** On August 22, 2001, the campaign made an expenditure to Moxie Media for \$4,000 after previously spending \$3,500. This resulted in exceeded the mini-reporting expenditure limits by \$4,000. **(Exhibit 4)**
- 4.3 Mr. Soriano notified his three opponents, on or around September 7, 2001, explaining that he was changing to full reporting. **(Exhibit 7)**
- 4.4 On September 11, 2001, Vicki Rippie, Executive Director of the PDC denied Mr. Soriano's request to change to full reporting. **(Exhibit 8)** On September 11, PDC staff member Suemary Trobaugh called Mr. Soriano and his treasurer, Darlene Murphy to notify the campaign that the request to change report options had been

denied. During the telephone conversation, Mr. Soriano notified Ms. Trobaugh of additional contribution recently received by the campaign. Mr. Soriano stated he would return the contributions without depositing them in the campaign account.

- 4.5 On November 6, 2001, PDC staff member Suemary Trobaugh contacted Mr. Soriano concerning subsequent campaign activity. Mr. Soriano stated that the campaign returned all contributions after being notified of the report change denial and did not make any further expenditures. **(Exhibit 6)**
- 4.6 On November 7, 2001, Vicki Rippie filed a staff complaint against Lawrence J. Soriano alleging violations of RCW 42.17.040 for not filing an amended C-1 prior to exceeding the mini reporting limits, and RCW 42.17.080 and .090 for failing to timely report contributions and expenditures. Mr. Soriano was sent a copy of the complaint and asked for a response. **(Exhibit 4)**
- 4.7 In a letter received November 19, 2001, Mr. Soriano provided background information concerning his campaign for School Board Director. **(Exhibit 5)** Mr. Soriano stated that he never run for office before and initially believed that he would run a “modest, low budget campaign.” He stated he believed at the time that it would not be difficult to change from mini reporting to the more detailed disclosure, if it became necessary. He did not intend to deceive or not disclose required information, but failed to timely change his report option out of ignorance of the requirements.

When Mr. Soriano was notified of the report change denial, the campaign “ceased all spending activities not already committed to; returned to donors all campaign contributions that were not already deposited and spent; ceased any new fundraising events and activities”, in accordance with PDC advice. Mr. Soriano and his wife paid for the majority of the campaign expenditures and asked that there be no further discipline action because of his “personally costly mistake.”

Respectfully Submitted this 19th day of November, 2001.

_____/s/
Suemary Trobaugh
Sr. Political Finance Specialist

Exhibits

- Exhibit 1** Candidate registration form filed on August 6, 2001 and September 10, 2001.
- Exhibit 2** Summary report (PDC form C-4) filed on September 10, 2001.
- Exhibit 3** Cash receipt report (PDC form C-3 and Schedule L) filed on September 10, 2001.
- Exhibit 4** Cash deposit and expenditure (Schedule A) filed on September 10, 2001.
- Exhibit 5** Letter of response filed on November 19, 2001 from Larry Soriano.
- Exhibit 6** November 6, 2001 memo to file from PDC staff, Suemary Trobaugh.
- Exhibit 7** Letter from Larry Soriano received on September 10, 2001, requesting a change to the full reporting option. Letter include notification to opponents.
- Exhibit 8** Response from Vicki Rippie, Executive Director of the PDC, September 11, 2001, denying Mr. Soriano's request to change to full reporting.